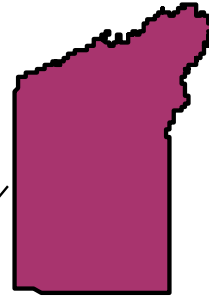
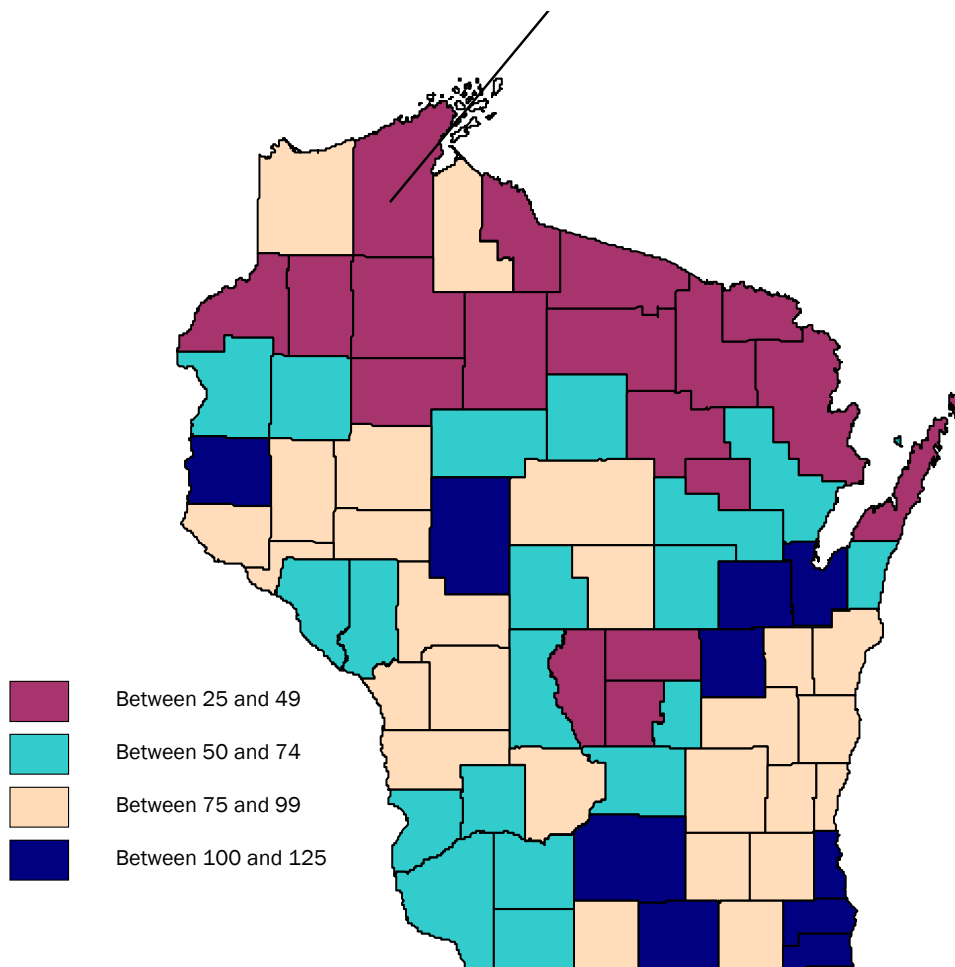


Bayfield County Workforce Profile



The number of residents aged 25-29 years for every
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



County Population

The population in Bayfield County added 562 residents from 2000 to 2004. This produced an increase of 3.7 percent, slower than in the United States but faster than in Wisconsin where it ranked 28th fastest growing among the state's 72 counties. Even after this increase, the county remains one of the least densely populated counties, ranked 3rd lowest in the state with only 11 residents per square mile.

Total Population

	April 2000 Census	Jan. 1, 2004 estimate	Numeric change	Percent change
United States	281,421,906	292,287,454	10,865,548	3.9%
Wisconsin	5,363,715	5,532,955	169,240	3.2%
Bayfield County	15,013	15,575	562	3.7%
Largest Municipalities				
Washburn, City	2,280	2,284	4	0.2%
Russell, Town	1,216	1,329	113	9.3%
Iron River, Town	1,059	1,101	42	4.0%
Cable, Town	836	844	8	1.0%
Barksdale, Town	801	826	25	3.1%
Bayfield, Town	625	713	88	14.1%
Eileen, Town	640	648	8	1.3%
Barnes, Town	610	647	37	6.1%
Bayfield, City	611	616	5	0.8%
Washburn, Town	541	555	14	2.6%

Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

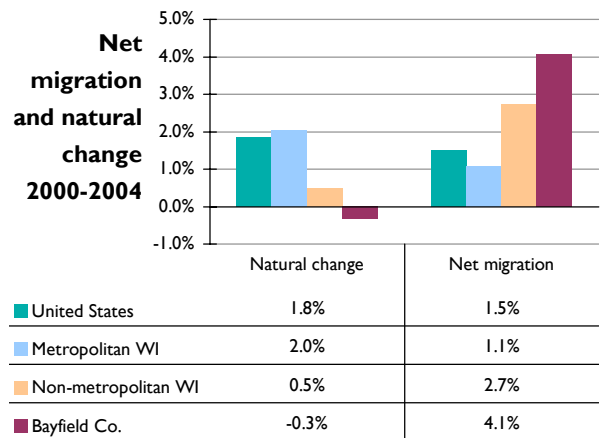
All but one of the 29 municipalities, the Town of Port Wing, added residents during the four years and four of the ten largest municipalities out-paced the proportional increase of the county. These municipalities, as well as the county, are growing so fast because they attract new residents who migrate to the area.

In fact, the increase in county population is attributed entirely to net migration, more people moving to the county than leaving the county. The migration rate in Bayfield County of 4.1 percent was more than double the Wisconsin rate of 1.6 percent and exceeded the rate of other non-metropolitan counties in Wisconsin. Net migration to non-metropolitan counties is high because of the migration to counties adjacent to metro areas and near state borders. Neither is true in Bayfield County where new residents migrate to enjoy a less hectic life. This means an inflow of older residents even as many youth leave when they graduate from high school.

Not all of the new residents move to the county to retire, but most are past the child-bearing years. From 2000 to 2004 there were only 543 births in Bayfield County 51 less than the number of deaths. Fewer births also produced a lower fertility rate (see glossary) in the county (57.4 compared with 58.7 in Wisconsin). Population projections that build on these trends forecast an older population that will out-number a younger population.

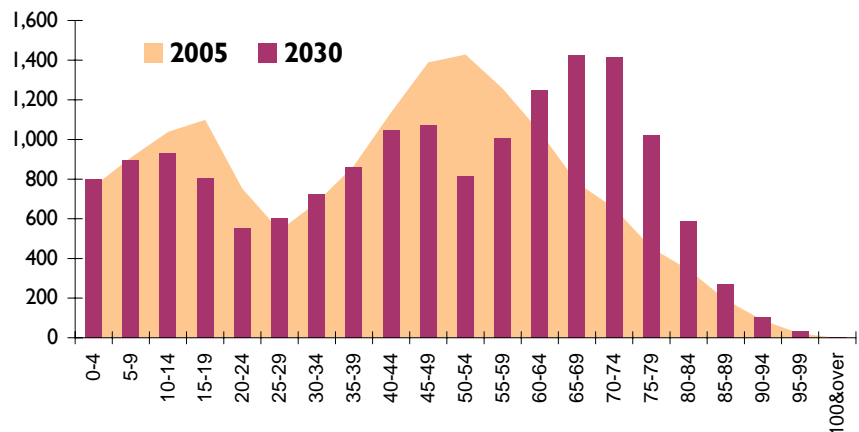
Roughly 23 percent of the population is currently over 60 years old but by 2030 that share expands to nearly 38 percent. In contrast, 30 percent of the current population is under 25 years old and that shrinks to 24 percent by 2030. This trend is dramatized in the bottom graph where the 'hill' created by baby-boomers rises above all other age groups and continues to dwarf other age groups in the next 25 years.

The impact of an aging population is perhaps more obvi-



Source: WI Dept. of Admin., Demographic Services and U. S. Census Bureau

Population by Age Groups in Bayfield County



Source: WI Dept. of Administration, Demographic Services

Future Population and Labor Supply

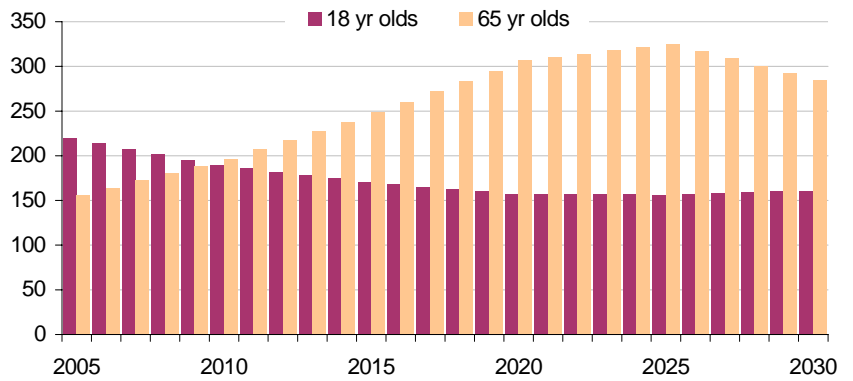
ous in terms of services that they will require. But it also impacts the availability of labor, especially when lower fertility rates also mean fewer young people. Assuming that 65 years old represents an average age of retirement and that 18 years old represents high school graduation, then a plot of the number of these residents points to a time when the first group exceeds the other in number. That convergence occurs in 2010 in Bayfield County.

As residents age their participation in the labor force declines. Labor force participation rates (LFPR, see glossary) among the population 25 to 50 years of age generally exceed 85 percent in Bayfield County. But, after 55 years the LFPR begins to drop and by 60 years it is nearing 50 percent. The number of residents may increase, but as the population ages the labor force will decline.

Although county population growth will slow it is not projected to decline during the projection period. However, because a greater share of the population will be over 50 years old, an age when labor force participation drops off, and the size of the labor force is projected to decline. The three columns in the chart on the bottom right illustrate labor force composition and size. Most notable is the increasingly larger sections, albeit small, representing workers over 65 years in the top sections and the smaller sections for youth on the bottom.

This projection uses national assumptions that included a slight increase in the participation rates of older residents but did not factor in the declining participation rates of white

Convergence of 18 & 65 year old population in Bayfield County

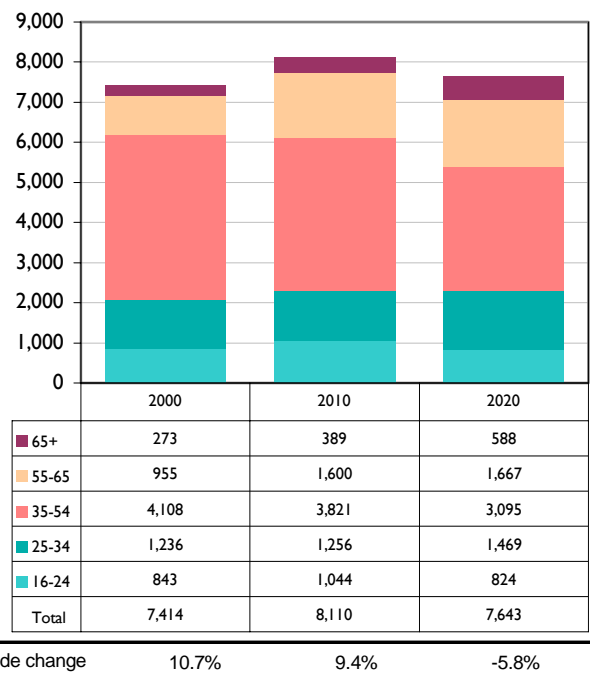


Source: WI Dept. of Administration, Demographic Services

residents; and, the population in Bayfield County is 89 percent white. The next largest ethnic group, American Indian, is less than nine percent of the population.

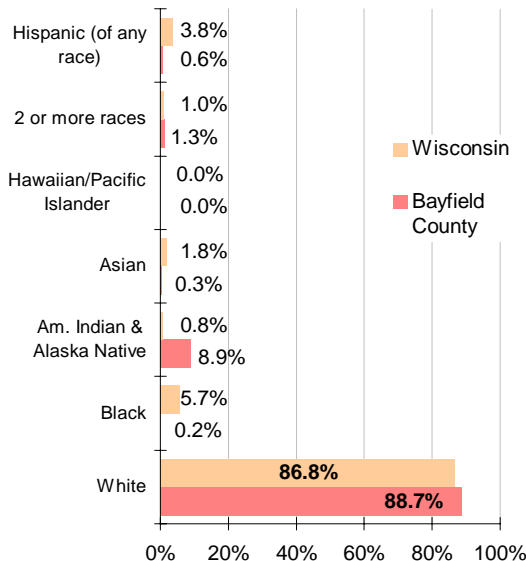
Two broad scenarios arise from the disparity in age and ethnicity: 1) there will be labor shortages due to retirements and the lack of replacement workers especially in occupations that rely on younger workers or require specialized skills; and 2) the aging population will impact the economy as an elderly population demands changes in the types of goods and services provided in local communities.

Bayfield County Labor Force Projections by Age



Source: DWD, Office of Economic Advisors, August 2004

Race and ethnic distribution



Source: U.S. Census Population Characteristics Estimates, 2002

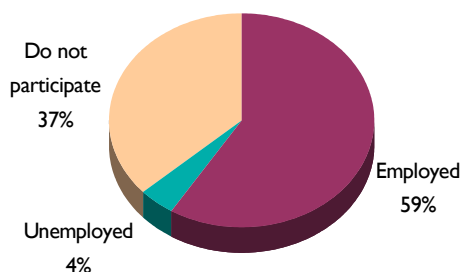
Current Labor Force

Labor force participation represents the share of population that is 16 years old and older that is either employed or unemployed. Participation rates in Wisconsin and the United States in 2003 were 72.9 and 66.3 percent, respectively.

In Bayfield County the participation rate was 63.3 percent. That means that 37 percent of the population 16 years old and older did not participate. That includes some students and individuals who choose not to work including retirees. As

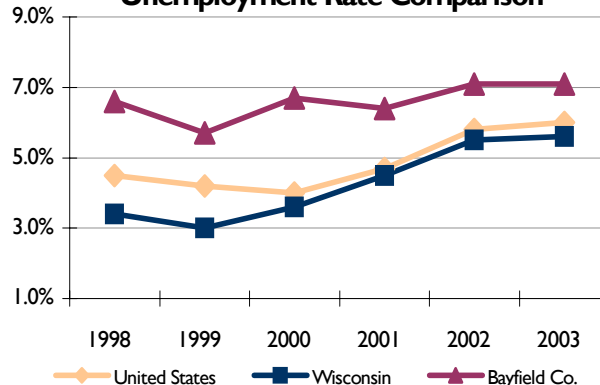
fewer new entrants to the labor force during the last recession is one of the reasons unemployment rates remained as low as they did. The unemployment rate in Bayfield County in 2003 was 7.1 percent compared to a 12.3 percent unemployment rate following the 1981-82 recession when the baby-boomers were entering the labor force in droves.

Labor force participation in Bayfield County



Source: DWD, Office of Economic Advisors, July 2004

Unemployment Rate Comparison



the population ages, more retirees will be included in the non-participating category by choosing not to work and the overall labor force participation rate will decline.

There will also be fewer new entrants to the labor force who are seeking first-time jobs and, consequently, fewer included among the unemployed. That, in turn, will produce lower unemployment rates. The fact that there were

Bayfield County Civilian Labor Force Data

	1998	1999	2000	2001	2002	2003
Labor Force	7,452	7,196	7,329	7,584	7,589	7,641
Employed	6,960	6,784	6,841	7,100	7,050	7,102
Unemployed	492	412	488	484	539	539
Unemployment Rate	6.6%	5.7%	6.7%	6.4%	7.1%	7.1%

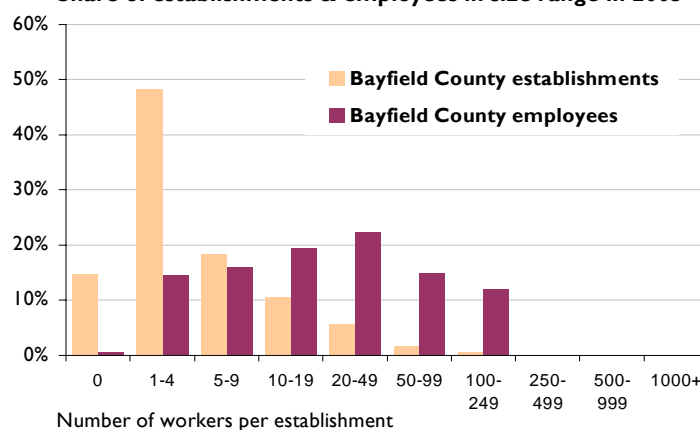
Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

Employers by Size

Nationwide, about 80 percent of the employers have fewer than 20 employees. In the State of Wisconsin that jumps up to 85 percent and in Bayfield County it increases to 92 percent of the employers with fewer than 20 employees. In contrast the share of jobs with employers with fewer than 20 employees is much smaller. In the nation employers with fewer than 20 workers provide 27 percent of the jobs, in Wisconsin it drops to 22 percent, but in Bayfield County 50 percent of the 3,890 jobs in the county are with small employers.

Over one-third of the jobs in Bayfield County, 37 percent, are with employers who have 20-99 workers. In stark contrast, only seven percent of the employers in the county are in that size range. The average employer in Bayfield County has seven employees, compared with 17 employees in Wisconsin and 13 in the United States.

Share of establishments & employees in size range in 2003



Source: DWD, Bureau of Workforce Information, Table 221, July 2004

Industry & employers by size

Six of the ten largest employers in Bayfield County are in the public sector, including three school districts, county and city government, and tribal government. These employers and others like them represent the two largest industries in the county.

The third largest industry, food services and drinking establishments, is not represented by a large employer. Employers

in this industry are often small, the average size is seven, but together provide over 300 jobs. This industry, as well as the next two on the list signify the importance of tourism in the county. Both accommodation and amusement, gambling, and recreation are represented on the list of largest employers. Absent from both lists is manufacturing.

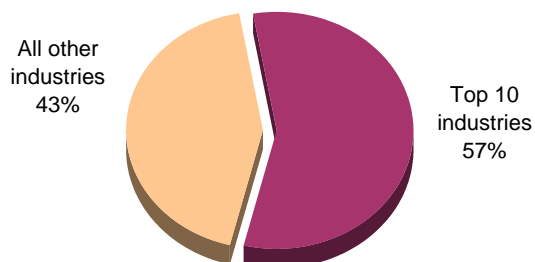
Top 10 Industries in Bayfield County

Industry	March 2004		Numeric Employment Change	
	Establishments	Employees	2003-2004	1999-2004
Educational services	8	437	16	-38
Executive, legislative, & gen government	32	402	-158	-27
Food services & drinking places	48	339	11	45
Accommodation	30	320	19	-13
Amusement, gambling & recreation ind	13	169	13	0
Social assistance	5	163	109	122
Nursing & residential care facilities	suppressed	suppressed	not avail.	not avail.
Specialty trade contractors	26	89	-12	9
Ambulatory health care services	12	86	13	14
Credit intermediation & related activity	suppressed	suppressed	not avail.	not avail.

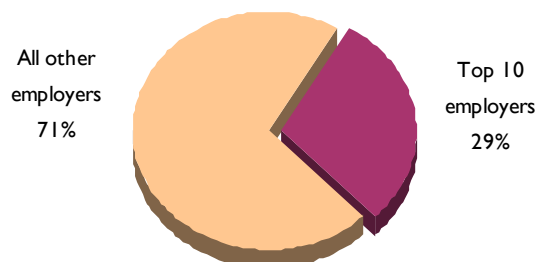
Top 10 Employers in Bayfield County

Establishment	Product or Service	Size (Dec. 2003)
County of Bayfield	Executive, legislative, & gen. government offices	100-249 employees
Red Cliff Band of Lake Superior Chippewa	Tribal governments	100-249 employees
School District of Washburn	Elementary and secondary schools	100-249 employees
School District of Bayfield	Elementary and secondary schools	100-249 employees
Northern Lights Health Care Center	Nursing care facilities	100-249 employees
Isle Vista Casino	Casinos, except casino hotels	50-99 employees
Drummond Area School District	Elementary and secondary schools	50-99 employees
Telemark Interval Owners Assn Inc.	Hotels and motels, except casino hotels	50-99 employees
City of Washburn - Bayfield County	Highway, street, and bridge construction	50-99 employees
Lakewoods Inc.	Hotels and motels, except casino hotels	50-99 employees

Share of jobs in top 10 industries in Bayfield County



Share of Bayfield County jobs with top 10 employers



Source: DWD, Bureau of Workforce Information, Quarterly Census of Employment and Wages

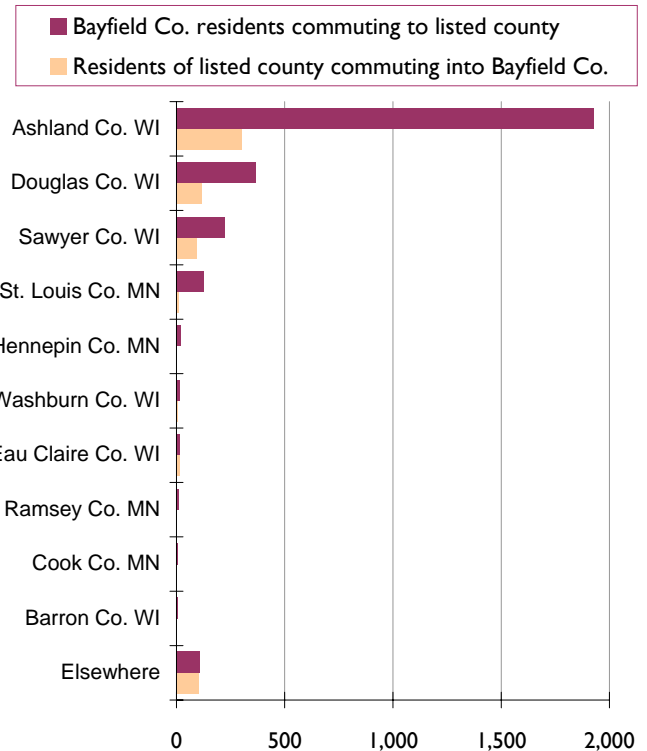
Commuting

The worker flow patterns for Bayfield County are dominated by the traffic to Ashland County. Over 2,820 workers from Bayfield County travel to jobs outside the area and roughly 1,925 (68%) travel to jobs in Ashland County. Nearly all of those workers, 1,670 are headed to employers in the City of Ashland. Ashland County employers attract workers from all over the county, but nearly 500 live in the City and Town of Washburn.

Most of the workers commuting out of the county limit their travel to neighboring counties to less than hour. The second and third most popular destinations for commuters are Douglas and Sawyer counties. In most cases, workers that live near the western border of the county will travel to the City of Superior (Douglas Co.) and those in the southern parts travel to the City of Hayward (Sawyer Co.) for a job.

Residents who travel outside the county for a job are still included among those employed in the Bayfield County labor force and is one of the reasons that the number of employed is greater than the number of jobs with county employers.

Employers in Bayfield County also attract roughly 655 workers from other counties. Most of these workers are from Ashland County and are headed for jobs in the City of Washburn. Employers need these commuters to help fill some of the 3,900 jobs in the Bayfield County.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

Key occupations & wages

The jobs in Bayfield County share some characteristics with neighboring counties and those similarities were used to define a labor supply area. This list includes wages for some of the occupations with the most employment in that area. It is significant because these 20 occupations provide approximately 19,000 jobs, or 43 percent of total employment, in the combined county area.

Each occupation includes a mean (average) and median (50th percentile) hourly wage probably the most frequently requested wage information. If the mean and median are relatively close the labor market for that occupation is probably tight.

Eleven of the 20 occupations typically require only short-term training and, for the most part, have a mean hourly wage under \$10/hour. There are also jobs on this list with mean wages that exceed \$10/hour but typically require only moderate to long-term training periods. Only the two highest paying jobs require college degrees.

Occupation title	Hourly Wages			
	Mean	Percentile		
		25 th	50 th	75 th
Cashiers	\$7.93	\$6.24	\$7.07	\$8.67
Truck drivers, heavy & tractor-trailer	\$17.31	\$12.88	\$17.20	\$20.94
Retail salespersons	\$8.83	\$6.64	\$7.84	\$9.78
Carpenters	\$13.91	\$7.07	\$14.28	\$17.43
Janitors & cleaners, except maids & hskpg. cleaners	\$9.54	\$7.51	\$8.75	\$11.40
Waiters & waitresses	\$8.26	\$6.15	\$7.07	\$8.93
Bartenders	\$7.80	\$7.08	\$7.73	\$8.37
Secretaries, except legal, medical, & executive	\$9.94	\$7.72	\$9.34	\$12.22
Comb. food prep. & serving workers (fast food)	\$7.19	\$6.12	\$6.94	\$8.06
Nursing aides, orderlies, & attendants	\$10.19	\$8.91	\$10.19	\$11.35
Bookkeeping, accounting, & auditing clerks	\$11.60	\$8.94	\$11.58	\$13.75
Office clerks, general	\$9.93	\$7.98	\$9.55	\$11.62
Maids & hskpg. cleaners	\$7.75	\$6.55	\$7.64	\$8.78
Cooks, short order	\$6.77	\$5.88	\$6.41	\$6.94
Personal & home care aides	\$8.73	\$7.91	\$8.71	\$9.65
Automotive service technicians & mechanics	\$15.59	\$11.44	\$16.06	\$19.62
Maintenance & repair workers, general	\$12.57	\$9.16	\$11.96	\$15.28
Sales reps., whsl/mfg. except tech. & scientific prod.	\$19.12	\$12.63	\$15.65	\$22.16
Registered nurses	\$21.69	\$18.60	\$20.83	\$24.29
General & operations managers	\$34.27	\$20.21	\$28.43	\$42.93

Bayfield County is part of an area which includes Ashland, Bayfield, Douglas, Iron, Sawyer, Vilas and Washburn counties.

Source: DWD, Office of Economic Advisors, special tabulation of EDS and OES 2003

Employment and Wages

An increase of 0.4 percent, or 15 jobs, in payroll employment in Bayfield County from 2002 to 2003 may be small but it was better than the change in the state of -0.2 percent. The percent increase in employment occurred with professional and business services employers where wages are only 54 percent of wages for similar work in the state but were higher than the average wage in all industries in Bayfield County of \$20,125. Overall average wages in the county rose 1.5 percent compared with an increase statewide of 3.1 percent.

The highest wages in financial institutions of \$27,772 are paid to only four percent of the county's workers, while the lowest wages of \$12,903 in leisure & hospitality are paid to 28 percent of county workers. Although the lowest wages in the county they are higher than wages paid for similar work statewide. Leisure and hospitality employers provide the most jobs in Bayfield County but total payroll is only third highest.

Several factors influence average wages in industries including seasonal and temporary employment which is prevalent in the county, occupation composition (professional and technical jobs generally have higher wages than clerical and service

Average Annual Wage by Industry Division in 2003

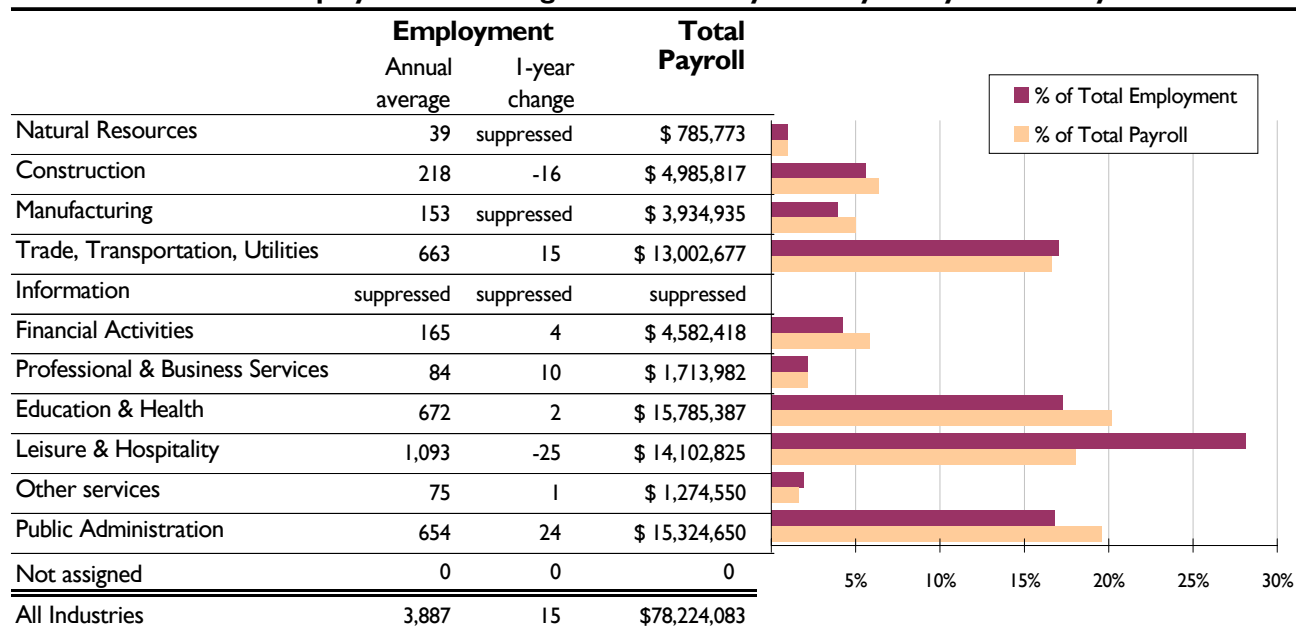
	Average Annual Wage Wisconsin	Average Annual Wage Bayfield County	Percent of Wisconsin	1-year % change
All Industries	\$ 33,423	\$ 20,125	60.2%	1.5%
Natural resources	\$ 25,723	\$ 20,148	78.3%	Not avail.
Construction	\$ 40,228	\$ 22,871	56.9%	0.5%
Manufacturing	\$ 42,013	\$ 25,719	61.2%	Not avail.
Trade, Transportation, Utilities	\$ 28,896	\$ 19,612	67.9%	-1.0%
Information	\$ 39,175	suppressed	Not avail	Not avail.
Financial activities	\$ 42,946	\$ 27,772	64.7%	10.0%
Professional & Business Services	\$ 38,076	\$ 20,405	53.6%	-12.2%
Education & Health	\$ 35,045	\$ 23,490	67.0%	1.7%
Leisure & Hospitality	\$ 12,002	\$ 12,903	107.5%	1.0%
Other services	\$ 19,710	\$ 16,994	86.2%	3.2%
Public Administration	\$ 35,689	\$ 23,432	65.7%	-0.1%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

occupations), job tenure (those with more seniority are paid more than new hires), and average workweek (full or part-time).

The distribution of total payroll and employment for the major industry groups in Bayfield County is detailed in the chart below. The greatest payroll is from employers in education & health services, which in this case also includes public education, who provide the second greatest share of jobs, 17 percent.

2003 Employment and Wage Distribution by Industry in Bayfield County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

Per Capita Personal Income

Per capita personal income (see glossary) increased 3.5 percent in Bayfield County in 2002, faster than in the United States, Wisconsin and other non-metropolitan counties in the state. Even with the increase, the PCPI in the county is only 77 percent of PCPI in Wisconsin and 75 percent of the United States. The Bayfield PCPI ranks 57th out of 72 counties in the Wisconsin.

The greatest share of total personal income is net earnings from jobs, both in and out of the county, self-employment and proprietorships. Not only are annual average wages considerably lower than in Wisconsin but the share of net earnings of 57

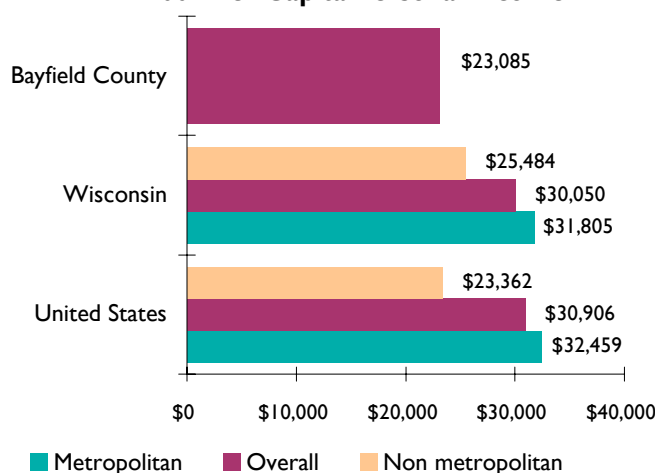
percent in Bayfield County is well below the 68 percent of both the state and nation. In contrast transfer payments comprise a much larger share of total personal income. Both factors contribute to the lower PCPI in the county.

While PCPI is often used as a comparative income measure it should be remembered that population is also a key component. PCPI is the result of dividing total income by total population. Most income is earned by residents over 18 years old but the younger population is still included in the formula. Likewise, a retired population has a much lower earning capacity.

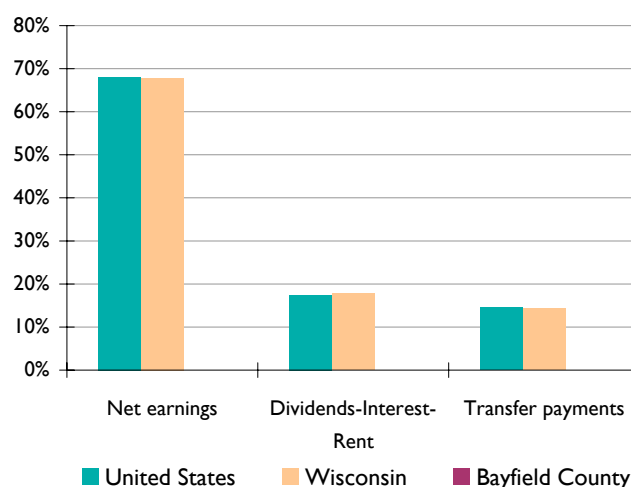
	Per Capita Personal Income						Percent Change	
	1997	1998	1999	2000	2001	2002	1 year	5 year
United States	\$25,334	\$26,883	\$27,939	\$29,847	\$30,527	\$30,906	1.2%	22.0%
Wisconsin	\$24,514	\$26,175	\$27,135	\$28,573	\$29,361	\$30,050	2.3%	22.6%
Non-metropolitan WI	\$20,734	\$22,195	\$22,900	\$24,059	\$24,833	\$25,484	2.6%	22.9%
Bayfield County	\$18,876	\$19,988	\$20,416	\$21,442	\$22,301	\$23,085	3.5%	22.3%
In current dollars (adjusted to U.S. CPI-U)								
United States	\$28,397	\$29,670	\$30,170	\$31,181	\$31,010	\$30,906	-0.3%	8.8%
Wisconsin	\$27,478	\$28,889	\$29,301	\$29,850	\$29,825	\$30,050	0.8%	9.4%
Non-metropolitan WI	\$23,240	\$24,497	\$24,728	\$25,135	\$25,226	\$25,484	1.0%	9.7%
Bayfield County	\$21,157	\$22,061	\$22,046	\$22,401	\$22,654	\$23,085	1.9%	9.1%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004

2002 Per Capita Personal Income



Components of Total Personal Income: 2002



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

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email: Beverly.Gehrke@dwd.state.wi.us

Metropolitan Statistical Area (MSA) - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

Non-metropolitan county - Any county that is not a member of a metropolitan statistical area.

Net Migration - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

Natural Change - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

Fertility rate - Number of live births per 1,000 women aged 15-44 years.

Employed - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

Unemployed - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

Labor Force - The sum of the employed and unemployed, whom are at least 16 years of age and older.

Unemployment Rate - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

Labor Force Participation Rate (LFPR) - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

Suppressed - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

Total Personal Income - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

Per Capita Personal Income (PCPI) - Total personal income divided by the total population.

Current Dollars - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

CPI-U - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.